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**TWO INDICTED FOR MULTI- MILLION DOLLAR NATIONWIDE  
AND INTERNATIONAL CABLE PIRACY**

SACRAMENTO--McGregor W. Scott, United States Attorney for the Eastern District of California, Sacramento County Sheriff Lou Blanas, on behalf of the Sacramento Valley Hi-Tech Crimes Task Force, Special Agent in Charge Victor Song, Internal Revenue Service - Criminal Investigation, and Resident Agent in Charge Brady Mills, United States Secret Service, announced today the indictment of DARRYL SCOTT POLL and CARLO MIRELES by a Federal Grand Jury in Sacramento, California, for masterminding a fraudulent nationwide and international cable piracy scheme that resulted in the sale and distribution of approximately fifty thousand cable descramblers designed to illicitly obtain cable programming, and that resulted in gross sales of over \$10 million.

Defendant POLL, age 41, of Simi Valley, California, and MIRELES, age 29, of Las Vegas, Nevada, have been charged in a thirteen count indictment with (1) conspiracy to assist in the unlawful interception and reception of communications services offered over a cable system and to commit mail fraud; (2) mail fraud; (3) assisting in the unlawful interception and reception of communications services offered over a cable system; and (4) conspiracy to commit money laundering.

According to the indictment filed today and an affidavit in support of a complaint/search warrant that was filed November 25, 2003, between May, 1998, and December, 2003, defendants POLL, MIRELES, and others participated in a widespread scheme and conspiracy in the Eastern District of California, around the country, and abroad, to acquire, manufacture, and distribute cable television descramblers, for the purpose of assisting individuals in the unauthorized reception of premium and pay-per-view cable television programming (sometimes known as "cable piracy"). Defendants further engaged in a conspiracy to launder proceeds obtained from the scheme in order to promote the continuation of the scheme.

Cable operators, the charging documents note, ordinarily provide consumers with different types of programming services: (1) "basic" programming services which typically include local broadcast stations and nationally distributed programs for a flat monthly fee; (2) "premium" programming services, such as Cinemax, Home Box Office and Showtime, which may be purchased for an additional monthly charge per service; and (3) "pay-per-view"

programming, a service that enables subscribers to view individual movies, sporting events, or other entertainment for a per event fee over and above the subscriber's regular monthly fee. To prevent individuals from obtaining programming services for which they have not paid, cable operators "encode" or "scramble" the signals for premium cable programming and pay-per-view events. Subscribers who purchase these scrambled programming services are then provided with a device commonly known as a "descrambler" or "cable box" that decodes the scrambled signals so that only the programming selected and purchased can be viewed on the subscriber's television set.

According to the indictment, defendants POLL and MIRELES, doing business as Wholesale Electronics and Red Rock Group, Ltd., operated a multi-million dollar "cable piracy" business which manufactured and sold cable television descramblers allowing illicit access to cable programming. Defendants POLL and MIRELES advertised the descramblers extensively through a series of websites on the Internet and also through national magazines. Defendants and their employees manufactured and sold the devices from facilities located in Simi Valley, California. The devices sold were specifically modified and/or designed to allow consumers to receive premium and pay-per-view cable television programming and also were specifically designed to be undetectable and uncontrollable by cable operators. As a result, consumers across the county who used the descramblers would be able to receive unlimited cable programming for free, defrauding cable operators of subscription fees for the pirated programming, and also defrauding local governments of franchise fees that otherwise would have been collected in connection with the pirated programming.

According to the indictment and the affidavit, both defendants had previously been sued in federal court by cable operators for manufacturing and distributing illicit descramblers designed to receive unauthorized cable programming. In 1996, POLL was found civilly liable for manufacturing and distributing illicit descramblers and was permanently enjoined from engaging in any manufacturing and distribution of descramblers designed to allow unauthorized reception of cable signals. According to the indictment, as part of an effort to allow defendant POLL to secretly continue his involvement in the production and sale of descramblers, defendants specifically structured the cable operations so that they falsely appeared to be located in Las Vegas, when, in fact, they were based principally in Simi Valley, and defendants specifically structured the operations so that they falsely appeared to be managed by MIRELES alone, when, in fact, they were managed equally by POLL and MIRELES. Also according to the indictment, in 2002, defendant MIRELES was enjoined from manufacturing or selling descramblers designed to allow unauthorized reception of cable programming in specified areas of the country serviced by Cablevision. Despite this, MIRELES continued to be involved in the business through December, 2003.

On December 3, 2003, investigators from the Sacramento Valley Hi-Tech Crimes Task Force and federal agents arrested defendant POLL in Simi Valley, California, and defendant MIRELES in Las Vegas, Nevada, based on an outstanding federal complaint. At the same time, investigators executed search warrants in Simi Valley and Las Vegas at business locations, residences and private mailboxes associated with the scheme. Federal agents also served seizure warrants on various bank accounts controlled by POLL and/or MIRELES and, among other things, seized over \$250,000 in alleged proceeds of the scheme.

Both defendants have currently been released from custody on bail and/or other

conditions. Defendant POLL is scheduled to appear in United States District Court in Los Angeles on December 19, 2003 for further proceedings. Defendant MIRELES is scheduled to make his initial appearance in the Eastern District of California on December 22, 2003, at 2:00 p.m., before Magistrate Judge Kimberly Mueller.

Under the indictment, each defendant faces a maximum penalty of up to 62 years imprisonment and fines of \$3.5 million or twice the pecuniary gain, whichever is higher. Defendants' actual sentence will be based on an application of the appropriate U.S. Sentencing Guidelines.

The case is being prosecuted in U.S. District Court in Sacramento by Assistant U.S. Attorney S. Robert Tice-Raskin of the U.S. Attorney's Office. The case is the product of an extensive investigation jointly conducted by the Sacramento Valley Hi Tech Crimes Task Force, the Internal Revenue Service-Criminal Investigation, and the United States Secret Service, with the assistance of the United States Postal Inspection Service. Investigative assistance was also provided by cable operators Comcast and CSC Holdings, Inc., commonly known as Cablevision.

The United States Attorney's Office notes that the complaint and indictment are only accusations, and that the defendants are presumed innocent until and unless proven guilty.

The cable operator that serves the greater Sacramento, California, area is Comcast. Media inquiries for Comcast should be directed to Susan Gonzales at 916-712-0844.

The National Cable & Telecommunications Association ("NCTA") operates an Office of Cable Signal Theft, dedicated to the objective of countering cable signal theft. Media inquiries for NCTA should be directed to Brian Dietz at 202-775-3629.

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